

Japanese Carbon and Alloy Flat Products Exclusion Request**Product Category:** Stainless Steel Wire (#28)

(a)	Product Designation/HTS	Non-magnetic Stainless Steel Wire (grade YUS130M) 7223.00.10.30, 7223.00.10.45, 7223.00.10.60
(b)	Product Description	Stainless steel high tensile non-magnetic wire with the following chemical composition: C (0.07-0.12%), Si (max 1.00%), Mn (9.00-10.00%), P (max 0.030%) S (max 0.030%), Cr (17.9-19.0%), N (0.20-0.35%), Ni (5.0-6.0%) And the following mechanical properties: diameter (0.500-3.493 mm or 0.019-0.1375"); diameter tolerance and out of round (+/-0.020 mm or 0.0008"); tensile strength (750-2200 N/mm ² or 109-319 ksi); amplitude permeability (max μ 1.010)
(c)	Basis for Exclusion	See text below
(d)	Names and Location of U.S. and Foreign Producers	See Attachment A
(e)	U.S. Consumption	See Attachment B
(f)	U.S. Production	See Attachment B
(g)	Substitutable Products	See Attachment C

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Suzuki's YUS130M wire has a unique chemistry compared to other U.S. products. There are a few U.S. products that have similar chemistries, but nothing exactly like YUS 130M. This is because SKK's parent company, Nippon Steel Corporation, has a patent in Japan and the United States on YUS130 wire rod. This wire rod is supplied to SKK, which sells the wire made from YUS130 to the customers in Japan and the United States. Nippon Steel has not exported YUS130 wire rod to U.S. wire manufacturers. Therefore, no U.S. producer manufactures YUS130M wire.¹

SKK sells YUS130 stainless steel wire to [
] ² [] manufactures screws that are used in personal computers.

¹ YUS130M refers to a slight modification of the original patented steel.

² Telephone Conversation and Correspondence with [
] (Aug. 31, 2001).

The non-magnetic character of SKK's YUS130M wire is critical because magnetism can interfere with the computer's electronics and impair its function.

Moreover, Suzuki's wire is a high quality product. This material is very clean, having few inclusions, and has excellent surface quality. YUS 130M also has high yield strength and tensile strength, which are properties necessary to produce [] corrosion-resistant, non-magnetic fasteners. [] promotes its fasteners as virtually eliminating camout (*i.e.*, forces that push the driver up and out of the fastener) and tool slippage, ensuring optimum torque transmission, providing increased tool life, and reducing worker fatigue and muscular stress. [] cannot achieve these results with inferior quality wire.

While U.S. produced wire has similar characteristics, none has the consistent high quality. [] has tried every domestic source for steel wire, but has experienced high scrap rates and poor manufacturing productivity. Therefore, any recommendation by the Commission to restrict [] access to Japanese wire would unnecessarily increase [] costs and inhibit its ability to produce high quality fasteners.

The U.S. high-tech industry relies on [] non-magnetic screws. Without a reliable source of YUS130M, [] could not satisfy the high-tech industry's needs and no product can substitute. Any trade restrictions would have damaging effect not only on [], but the U.S. high-tech industry, as well, without any corresponding benefit to the U.S. wire industry.

Finally, imports of non-magnetic stainless steel wire are typically more expensive than U.S. stainless wire. As shown in **Attachment B**, the unit price for this wire product from Japan ranged from [] during the period of investigation. Compare these prices to pricing data collected by the Commission for selected pricing products, which are intended to be representative of U.S. prices of hot-rolled steel products in general. This attachment demonstrates the significant overselling of these specialty products imported from Japan. These high priced imports have no detrimental effect on the domestic industry and warrant exclusion from any remedy recommendation. We urge the USTR to exclude non-magnetic stainless steel wire from any 201 remedy.

ATTACHMENT A

Foreign Producers:

(1) Suzuki Metal Industry Co., Ltd.

- Address: Tekko Bldg, 1-8-2 Marunochi, Chiyoda-Ku Tokyo 100-0005 JAPAN
- Phone: 011-81-3-3214-1681
- Fax: 011-81-3-5222-7465

Domestic Producers:

None

ATTACHMENT C

Known Substitutable Products: None

U.S. Production: None

U.S. Producers: None

STAINLESS WIRE

Non-magnetic Stainless Steel Wire (grade YUS130M)

Quantity						January - June		Projections				
Company	1996	1997	1998	1999	2000	YTD 2000	YTD 2001	2001	2002	2003	2004	2005
Suzuki Metal	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0

Value						January - June		Projections				
Company	1996	1997	1998	1999	2000	YTD 2000	YTD 2001	2001	2002	2003	2004	2005
Suzuki Metal	0	148,684	726,316	638,076	75,890	72,397	363,706	822,090	822,090	822,090	777,919	777,919
Total	0	148,684	726,316	638,076	75,890	72,397	363,706	822,090	822,090	822,090	777,919	777,919

Unit Price	N/A	5,238	5,287	5,967	5,984	6,033	6,006	5,984	6,324	6,324	5,984	5,984
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U.S. Production	0	0	0	0	0	0	0	0	0	0	0	0
Imports from Other Countries	0	0	0	0	0	0	0	0	0	0	0	0
Total U.S. Consumption												
Quantity	0	0	0	0	0	0	0	0	0	0	0	0
Value	0	148,684	726,316	638,076	75,890	72,397	363,706	822,090	822,090	822,090	777,919	777,919